

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7611**

**BILL NUMBER:** HB 1778

**NOTE PREPARED:** Jan 12, 2003

**BILL AMENDED:**

**SUBJECT:** Northwestern Indiana Council of Governments.

**FIRST AUTHOR:** Rep. Pelath

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill repeals the law governing a regional plan commission in Lake County, Porter County, and LaPorte County and provides that the regional plan commission becomes, on July 1, 2003, the Northwestern Indiana Council of Governments. It establishes the Council as a coordinating agency for other public and private agencies to provide direct and indirect services to citizens that promote regional objectives.

The bill provides for an annual appropriation budget apportioned pro rata to each participating county of \$0.70 per capita. It permits applications for grants, appropriations, gifts, and contributions from private and governmental entities. The bill provides for the management and expenditure of funds appropriated or transferred to the council. It also establishes organizational and operational procedures.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** The state pays Property Tax Replacement Credits (PTRC) in the amount of 60% of school general fund levies attributable to all property and 20% of the portion of all operating levies (including the remaining 40% of the school GF levy) that are attributable to real property and non-business personal property. Homestead Credits are paid by the state in the amount of 20% of the net property tax due on owner-occupied residences.

If the total Lake, LaPorte, and Porter County property tax levies rise as a result of the provision in this bill allowing the council tax rate to be levied outside of the maximum levy, then the state's expense for PTRC and Homestead Credits would also increase. PTRC and Homestead Credits are paid from the Property Tax Relief Fund, which is annually supplemented by the state General Fund. Therefore, any additional PTRC or

Homestead Credit payments would ultimately come from the state General Fund. The additional state expense could rise by as much as \$40,000 in FY 2004 and \$120,000 in FY 2005 and later years. The actual amount of the increase depends on local action.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Responsibilities:* The responsibilities and authority of the Northwestern Indiana Council of Governments established under this bill are basically the same as they are for the regional planning commission.

*Membership:* The membership of the Council is exactly the same. The new Council, like the current plan commission, would be comprised of the 40 members including the following:

- One member from each county executive;
- One member from each county fiscal body;
- Each county surveyor;
- Two members from each municipality with a population exceeding 50,000;
- One member from each of the eight largest municipalities with populations under 50,000 in LaPorte and Porter Counties;
- One member from each city with a population under 50,000 in Lake County
- One member each from the five largest population towns in Lake County; and
- One voting member, appointed by the Governor.

**Explanation of Local Revenues:** *Budget and Taxes:* The budgeting process and tax levy apportionment and tax rate limitations are also the same, except that the bill would allow the rate to be levied outside of the counties' maximum levy limitations. If each county elects to exceed their maximum levy by this amount, the gross levy would grow by \$339,195 in Lake County, \$77,074 in LaPorte County, and \$102,759 in Porter County, for a total of \$519,028.

**State Agencies Affected:**

**Local Agencies Affected:** Lake, LaPorte, and Porter Counties and all municipalities within those counties.

**Information Sources:** U.S. Bureau of the Census.

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